



PRESS RELEASE

Axiata and XL Axiata Successfully Complete the Acquisition of 66.03% of Link Net's Shares

Proposed MTO for the remaining 33.97% Link Net Shares will be next step towards full completion of the transaction

Kuala Lumpur and Jakarta, 22 June 2022 – Axiata Group Berhad (“**Axiata**”) and PT XL Axiata Tbk (“**XL Axiata**”)¹, today completed the acquisition of the combined 66.03% equity interest in PT Link Net Tbk (“**Link Net**”)² for approximately RM2.63 billion³. The purchase consideration was at IDR4,800 per ordinary share in Link Net (“**Link Net Shares**”) or approximately Indonesian Rupiah (“**IDR**”) 8.72 trillion (equivalent to approximately RM2.63 billion³) for the 66.03% equity interest in Link Net². This translates to a value of about IDR13.21 trillion (equivalent to approximately RM3.99 billion³) for 100.00% equity interest in Link Net².

Post-completion of the acquisition, Axiata Investments (Indonesia) Sdn Bhd (“**All**”), an indirect wholly-owned subsidiary of Axiata, and XL Axiata hold 46.03% and 20.00% respectively from the combined 66.03% equity interest in Link Net² previously held by Asia Link Dewa Pte. Ltd. and PT First Media Tbk. Axiata’s total effective equity interest in Link Net held via All and XL Axiata is 58.33% post completion of the acquisition.

All will now be obligated to undertake a mandatory tender offer to acquire the remaining 33.97% equity interest in Link Net⁴ pursuant to regulatory requirements in Indonesia (“**Proposed MTO**”). Details of the Proposed MTO will be announced in due course. The Proposed MTO is expected to be completed in the third quarter of 2022.

With this acquisition, Link Net and XL Axiata will be well-positioned to leverage immediate synergies through their combined positions in wireless communication services, sharing of backbone and transmission networks and extensive relationships with customers in Indonesia. Coupled with XL Axiata’s enterprise offerings including mobile connections, Link Net will be poised to capitalise on the growing enterprise market in the country.

¹ An indirect 61.48% owned subsidiary of Axiata as at 21 June 2022

² Computed based on the issued and paid-up Link Net Shares (excluding 111,614,500 treasury shares (“**Link Net Treasury Shares**”)) of 2,751,580,984 as at 21 June 2022

³ The exchange rate of RM1.00 : IDR3,312.86, being the average buy and sell on 10 June 2022 as published by Bank Indonesia, has been applied

⁴ Assuming the Link Net Treasury Shares are not resold

Based on independent market research⁵, Indonesia is one of the most attractive fixed broadband markets globally, significantly underpenetrated at 13.4% in terms of household penetration. The average data consumption per connection on fixed broadband networks in Indonesia has grown at a compound annual growth rate (“**CAGR**”) of 44.4% from 2016 to 2020 and is expected to continue increasing at a CAGR of approximately 27.9% from 2020 to 2026. Indonesia is also one of the fastest growing broadband markets in the world with fixed connections poised for significant expansion at a CAGR of approximately 14.4%. Furthermore, household penetration is expected to increase to 27.5% by 2026, driven by a growing addressable market, escalating data use and the robust growth in Indonesia’s disposable income per capita.

Link Net’s network coverage extends across the populous cities of Indonesia including Greater Jakarta, Sumatera Island, West Java, Central Java, East Java, and Bali. In addition to a network that reaches about 2.9 million homes, its enterprise portfolio serves approximately 2,400 customers⁶ which includes government, financial services, and large multinational corporate institutions, as well as digital businesses. It commenced commercial operations in 2000 and has demonstrated a strong operational and financial track record through the years. For the financial year ended 31 December 2021, on a year-on-year basis Link Net’s revenue rose 10.3% to approximately IDR4.5 trillion (equivalent to approximately RM1.3 billion⁷).

Commentaries

Axiata’s Joint Acting Group CEOs Dr Hans Wijayasuriya and Vivek Sood said, “The completion of the Link Net acquisition marks a significant milestone in the evolution of Axiata’s operations in the region. As we welcome Link Net into the Axiata Family, we strengthen our position as a Regional Digital Champion in the delivery of Converged Telecommunication Services in line with our ethos of ‘Advancing Asia’. Link Net is among the leading providers of high-speed broadband and cable TV in Indonesia, reaching 2.9 million homes across 23 cities, serving approximately 855,000 broadband and approximately 837,000 cable TV customers respectively. The well experienced and accomplished team at Link Net will be accelerating the company’s growth opportunities within existing as well as under-served areas. Increasing the momentum of our participation in Indonesia’s rapidly advancing digital economy is an exciting proposition we share with the Link Net Team.”

XL Axiata’s President Director & CEO, Dian Siswarini said, “We are very excited about the potential and possibilities this acquisition will unleash. Since the announcement, we have identified multiple areas of synergies that can be unlocked together with Link Net, leveraging our collective strength in mobile connectivity, fixed broadband and content. This will support

⁵ Independent market study report on Indonesia’s telecommunications market by Analysys Mason Pte. Limited

⁶ Based on Link Net’s report as of 31 December 2021

⁷ The exchange rate of IDR100.00 : RM0.0290, being the average middle rate prevailing at 5.00 p.m. on 31 December 2021 as published by Bank Negara Malaysia, has been applied

us in achieving our vision to be a leading converged operator by providing seamless integrated solutions to our increasingly digitally-savvy customers.”

Link Net’s President Director and CEO, Marlo Budiman, “Together with our new partners we look forward to being able to provide converged fixed line broadband and mobile service propositions to both our residential and enterprise clients. Indonesia’s high speed broadband market remains deeply underpenetrated and the ability to provide a wider and more comprehensive product offering will contribute to future growth and benefit all our stakeholders. There is opportunity for significant synergies from the sharing of backbone and transmission networks and strategic alignment on revenue enhancement and cost efficiency measures. These opportunities are enhanced by Link Net’s extensive relationships with business partners and customers. Myself along with my management team warmly welcome our new shareholders and firmly believe our partnership will contribute to great outcomes for customers and sustained growth in future shareholder value.”

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About Axiata

In pursuit of its vision to be The Next Generation Digital Champion by 2024, Axiata is a diversified telecommunications and digital conglomerate operating Digital Telcos, Digital Businesses and Infrastructure businesses across a footprint spanning ASEAN and South Asia.

The Group has controlling stakes in market-leading mobile and fixed operators in the region including 'Celcom' in Malaysia, 'XL' and 'Link Net' in Indonesia, 'Dialog' in Sri Lanka, 'Robi' in Bangladesh, 'Smart' in Cambodia and 'Ncell' in Nepal. Axiata’s regional digital business verticals comprise “Boost” a fintech play, and ‘ADA’, a digital analytics and AI company. 'edotco' is among the top 10 independent TowerCos globally, operating in nine countries to deliver telecommunications infrastructure services.

As a committed and long-term investor, the Group actively supports and drives young talent development; community outreach; as well as climate change initiatives. Axiata’s broader goal of Advancing Asia aims to piece together the best in the region in terms of innovation, connectivity and talent to drive digital inclusion and sustainable progress across our markets. Find out more at www.axiata.com

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About XL Axiata

XL Axiata is one of the leading mobile telecommunications companies in Indonesia. XL Axiata focuses on providing convergence services to provide convenience for people’s life activities and encourage the development of Indonesia’s digital economy. Starting its commercial operations on 8 October 1996, XL Axiata currently provides a variety of services for retail and corporate subscribers supported by a wide and quality network throughout Indonesia. Since 2015, XL Axiata has implemented a quality 4G LTE network on a national scale, then continued with 5G network development in the third quarter of 2021. XL Axiata is part of the Axiata Group together with Celcom (Malaysia), Dialog (Sri Lanka), Robi (Bangladesh), Smart (Cambodia), Ncell (Nepal), Boost, ADA, edotco and Link Net (Indonesia).

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About Link Net

PT Link Net Tbk (Link Net) established in 2000, has a mission to transform lives by providing innovative and exceptional broadband and media services and solutions. As one of the largest cable service providers in Indonesia, Link Net provides high-quality pay television services, high-speed broadband internet, and data communications under "First Media" brand for residential customers and "Link Net" brand for corporate customers.

Link Net owns and operates a network of Hybrid Fiber Coaxial cable and Fiber-to-the-Home that provides high-speed internet access services.

Learn more at www.linknet.co.id (Link Net corporate website), www.firstmedia.com (residential segment) or <https://www.linknet.id> (enterprise segment).

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